

December 13, 2019

**VIA ELECTRONIC FILING**

Ms. Jocelyn Boyd  
Chief Clerk and Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, SC 29210

**Re: Docket No. 2019-7-G**

Dear Ms. Boyd:

Pursuant to Section 58-5-430 of the South Carolina Code of Laws (Natural Gas Rate Stabilization Act), enclosed please find the quarterly monitoring report for the twelve-month period ending September 30, 2019 for Piedmont Natural Gas Company, Inc.

Thank you for your assistance with this matter. If you have any questions regarding this filing, you may reach me at the number shown above.

Sincerely,

/s/ Jasmine K. Gardner  
Jasmine K. Gardner

JKG/sko

cc: ORS (via email and overnight delivery)  
Bruce Barkley  
Pia Powers  
James H. Jeffries IV

Piedmont Natural Gas Company, Inc.  
Net Operating Income and Rate of Return  
For The Twelve Months Ended September 30, 2019  
South Carolina  
Page 1 of 2

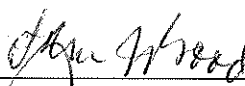
	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 150,477,185	\$ (1,959,941)	\$ 148,517,244
Other Operating Revenues	639,526	-	639,526
Total Operating Revenue	<u>\$ 151,116,711</u>	<u>\$ (1,959,941)</u>	<u>\$ 149,156,770</u>
Operating Expenses			
Cost of Gas	\$ 69,975,152	\$ (8,632,536)	\$ 61,342,616
Other Operation & Maintenance	33,249,548	(122,953)	33,126,595
Depreciation	14,623,879	2,707,981	17,331,860
General Taxes	12,030,704	(4,025,368)	8,005,336
State Income Taxes	(1,092,351)	2,197,351	1,105,000
Federal Income Taxes	1,292,240	2,178,950	3,471,190
Amort. of ITC	(7,369)	-	(7,369)
Total Operating Expenses	<u>\$ 130,071,804</u>	<u>\$ (5,696,576)</u>	<u>\$ 124,375,228</u>
Net Operating Income	\$ 21,044,906	\$ 3,736,635	\$ 24,781,541
Interest on Customer Deposits	(92,067)	-	(92,067)
Amortization of Debt Redemption Premium	-	-	-
AFUDC	761,085	-	761,085
Customer Growth	191,509	34,003	225,512
Net Operating Income For Return	<u>\$ 21,905,433</u>	<u>\$ 3,770,638</u>	<u>\$ 25,676,071</u>
Original Cost Rate Base			
Plant in Service	\$ 693,248,424	\$ -	\$ 693,248,424
Accumulated Depreciation	(249,760,029)	-	(249,760,029)
Net Plant in Service	\$ 443,488,395	\$ -	\$ 443,488,395
Add:			
Construction Work in Progress	30,927,072	-	30,927,072
Materials and Supplies (Including Gas Inventory)	6,827,113	-	6,827,113
Cash Working Capital	(530,285)	(15,369)	(545,655)
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	2,604,098	-	2,604,098
Accumulated Deferred Income Taxes	95,867,870	-	95,867,870
Unclaimed Funds	144,338	-	144,338
Total Original Cost Rate Base	<u>\$ 382,095,989</u>	<u>\$ (15,369)</u>	<u>\$ 382,080,619</u>
Return on rate base	<u>5.73%</u>		<u>6.72%</u>

Piedmont Natural Gas Company, Inc.  
 Net Operating Income and Rate of Return  
 For The Twelve Months Ended September 30, 2019  
 South Carolina  
 Page 2 of 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	After Accounting and Proforma Adjustments								
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Calculated Ratio %	Pro Forma Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 2,379,666,691	-	\$ 2,379,666,691	50.48%	47.00%	\$ 179,577,891	4.41%	2.07%	\$ 7,919,385
2. Common Equity	2,334,111,360	-	2,334,111,360	49.52%	53.00%	202,502,728	8.77%	4.65%	17,756,686
3. Total	<u>\$ 4,713,778,051</u>	<u>\$ -</u>	<u>\$ 4,713,778,051</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$ 382,080,619</u>		<u>6.72%</u>	<u>\$ 25,676,071</u>

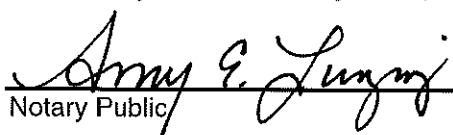
## CERTIFICATION

I, Lynn J. Good, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

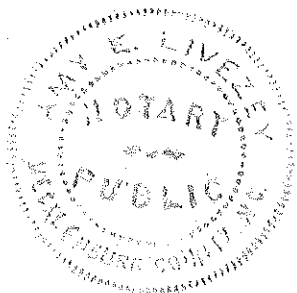
  
 \_\_\_\_\_  
 Lynn J. Good  
 Chairman, President and CEO

12/12/19  
 \_\_\_\_\_  
 Date Signed

Subscribed and Sworn to before me this  
12<sup>th</sup> day of December, 2019.

  
 \_\_\_\_\_  
 Notary Public

My Commission Expires 11/16/22.



## CERTIFICATION

I, Steven K. Young, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

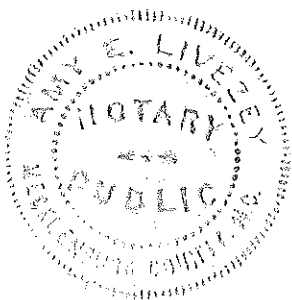
Steven K. Young  
Steven K. Young  
Executive Vice President and CFO

12/12/19  
Date Signed

Subscribed and Sworn to before me this  
12<sup>th</sup> day of December, 2019.

Amy E. Lundy  
Notary Public

My Commission Expires 11/16/22.



**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the attached is being served this date upon all of the parties to this docket electronically or by depositing a copy of the same in the United States Mail, First Class Postage Prepaid, at the addresses contained in the official service list in this proceeding.

This the 13th day of December, 2019.

/s/ Sloane K. O'Hare  
Sloane K. O'Hare